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FISCAL IMPACT STATEMENT

LS 6882

BILL NUMBER: HB 1197

NOTE PREPARED: Feb 27, 2012

BILL AMENDED: Feb 21, 2012

SUBJECT: Mopeds.

FIRST AUTHOR: Rep. Smith M

FIRST SPONSOR: Sen. Becker

BILL STATUS: As Passed Senate

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

- (1) Changes the term motorized bicycle to moped.
- (2) Defines moped.
- (3) Authorizes the Bureau of Motor Vehicles (BMV) to adopt rules concerning certificates of title for mopeds.
- (4) Provides that a moped operated on a highway must be registered with the BMV, with a registration fee equal to that of a motorcycle.
- (5) Requires that certain funds received from the registration of a moped be deposited in the Motorcycle Operator Safety Education Fund.
- (6) Requires the operator of a moped on a highway to have an identification card, permit, or driver's license in the operator's immediate possession when operating the moped.
- (7) Requires a dealer who sells at least 12 mopeds a year to register as a dealer with the Secretary of State.
- (8) Requires the operator of a moped to have proof of financial responsibility in effect on the moped.
- (9) Requires certain individuals to file accident reports after an accident involving a moped.
- (10) Repeals the term "motor scooter".
- (11) Makes conforming changes, technical corrections, and deletes outdated language.

Effective Date: January 1, 2013.

Explanation of State Expenditures: (Revised) *Registration of Mopeds:* Requiring registration for mopeds may increase associated expenditures for the BMV. The BMV does not register these items currently. However, any expenditure is likely to be minimal. In CY 2010, the BMV registered approximately 7.3 million vehicles.

The fund affected is the Motor Vehicle Highway Account (MVHA), which supports the BMV. The number of mopeds in Indiana is not known. The fund affected is the Motor Vehicle Highway Account, which supports the BMV.

(Revised) *Titling Mopeds*: The bill specifies that a moped owner may request a title for a moped. The BMV reports that owners can currently request a title for their mopeds. Granting moped owners the ability to request a title for their moped is expected to have no fiscal impact.

Explanation of State Revenues: *Moped Registration*: Requiring certain funds received from the registration of a moped to be deposited in the Motorcycle Operator Safety Education Fund will increase revenue to the fund. The impact will depend on the number of mopeds registered annually. The annual registration fee for motorcycles is \$26.05, which includes a \$0.30 fee which is deposited into the Spinal Cord and Brain Injury Fund and a \$7 fee which is deposited into the Motorcycle Operator Safety Education Fund.

Extending the current \$26.05 registration fee to mopeds will generate additional annual state revenue. The number of new registrations is unknown. However, for every 3,000 mopeds that would be required to register in the state, this bill is expected to increase state revenue by \$78,150 per year from registration fees. The table below shows the distribution of the \$26.05 fee for motorcycles, along with the uses of the funds.

Distribution of Annual Registration Fee	Fee	Est'd Revenue
Motor Vehicle Highway Account (MVHA)	\$8.75	\$26,250
Public Safety Fee	\$0.25	\$750
Motorcycle Operator Safety Education Fund	\$7.00	\$21,000
Crossroads 2000 Fund	\$3.00	\$9,000
BMV Technology Fund	\$0.50	\$1,500
Anti-Terrorism	\$1.25	\$3,750
Bureau of Motor Vehicles Commission (BMVC)	\$5.00	\$15,000
Spinal Cord Brain Injury Fund	\$0.30	\$900
TOTAL	\$26.05	\$78,150

Requiring the possession of an operator's license or an identification card may increase the issuance of these licenses and permits and increase fee revenue. The funds affected are the MVHA, the State Police Building Fund, the Motorcycle Operator Safety Education Fund, the Crossroads 2000 Fund, the BMV Technology Fund, the Anti-Terrorism Fund, and the Bureau of Motor Vehicles Commission (supported by the state License Branch Fund).

Additionally, requiring a dealer of at least 12 mopeds per year to register as a dealer with the Secretary of State will mean additional revenue. The funds affected are the Dealer Compliance Account and the MVHA

(Revised) *Possible Reduction in Criminal Penalties*: Under current law, an individual who operates a motorized bicycle (now defined as “moped” in the bill) over 25 miles per hour could face both illegal operation of a motorized bicycle (IC 9-21-11-12) as well as failure to register a motor vehicle (IC 9-18-2-29). Both of these penalties are Class C infractions. This bill changes the maximum operation speed of a moped from 25 miles per hour to 30 miles per hour and requires all mopeds to be registered with the BMV.

By requiring all mopeds to be registered with the BMV, this bill may decrease the number of Class C infraction judgments in the state for individuals who operate a motor vehicle without a registration. The maximum

judgment for a Class C infraction is \$500, which is deposited in the state General Fund. However, any reduction in revenue is likely to be small.

(Revised) *Financial Responsibility Requirement:* Currently, moped operators are not required to maintain financial responsibility. Under the bill, moped operators would be required to maintain financial responsibility. As a result, this bill may result in the sale of additional insurance riders or endorsements in the state. To the extent this occurs, the state will receive additional revenue from taxes paid on insurance premiums. Revenue received from the insurance premium tax is distributed to the General Fund. Actual increases in state revenue from insurance premiums are indeterminable.

Background Information: In FY 2011 the BMV completed 212,444 motorcycle registration transactions and received a total of \$5.5 M in revenue from these transactions.

The MVHA may be used for road construction, reconstruction, and maintenance for cities, towns, and counties. The MVHA also supports entirely the operation of the BMV, a significant part of the operation of the Department of Transportation, about 61% of the operation of the State Police, and part of the operation of the state Department of Revenue.

The Public Safety fee supports the State Police Building Fund, which is used for construction, maintenance, and equipping of and/or leasing of State Police facilities.

The Motorcycle Operator Safety Education Fund supports motorcycle education.

The Crossroads 2000 Fund supports highway bonding.

The BMV Technology Fund supports technology for the BMV.

The anti-terrorism fee supports the Integrated Public Safety Commission (IPSC). The IPSC operates Project Hoosier Safe-T (Safety Acting for Everyone-Together, an initiative of the IPSC). The Commission works with local, state, and federal public safety agencies to implement a statewide, interoperable, digital, 800 MHz trunked voice and mobile data communications network for public safety officials. SAFE-T will provide 95% statewide mobile coverage through a baseline design of 126 communication sites. SAFE-T seeks to replace inadequate, obsolete, and incompatible communications systems and allow coordination and response to routine, emergency and catastrophic events. Public safety agencies independently choose whether or not to participate in SAFE-T.

The Bureau of Motor Vehicles Commission is supported by the state License Branch Fund.

The Spinal Cord and Brain Injury Fund supports research for spinal cord and brain injuries.

The Dealer Compliance Account is used by the Secretary of State to monitor dealers.

Explanation of Local Expenditures:

Explanation of Local Revenues: Funds from the MVHA are distributed to cities, towns, and counties.

State Agencies Affected: BMV; Secretary of State; State Police; Department of Transportation; Department of Revenue.

Local Agencies Affected: Recipients of MVHA distributions; various public safety agencies.

Information Sources: Elizabeth Murphy, BMV; Christy Tittle, Indiana State Personnel Department.

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